is estimated at Rs. 321 crores. The estimated investment for coverage of handloom weavers under the on going programmes of Ministry of Rural Development is about Rs. 690 crores.

(c) For setting up of Handloom Development Centres and Quality Dyeing Units, a sum of Rs. 50.00 crores has been proposed for the financial year 1994-95. So far as the question of coverage of the handloom weavers under the on going scheme of Rural Development Programme is concerned, no separate allocations have been earmarked since the proposed assistance is expected to be met out of the existing allocations for the programmes at the DRDA level.

Effect of rise in Cotton prices on Yarn production

2209. SHRI SURESH PACHOURI: Will the Minister of TEXTILES be pleased to state:

(a) whether spinning mills in South India had to cut yarn production in January and February, 1994;

(b) if so whether some of the powerlooms have closed or are at the verge of closure and handloom sector has also started feeling the pinch;

(c) if so, whether the managing committe of the Southern India Mills Association has felt that the cotton situation is not bad with about 13 lakh bales in stock and improved arrivals of northern States;

(d) whether the Association has felt and has pointed out that the prices have gone up largely due to hording;

(e) if so, whether the prices of various varieties of yarn have gone up by 10 to 20 per cent as compared to 45 to 47 per cent in cotton prices for the last one year;

(f) if so, what is the action Government propose to take on the allegations made by the Southern India Mills Association; and

(g) what are the other steps being taken to check the rise of cotton prices?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY) (a) No, Sir.

(b) Due to increasing yarn prices powerloom and handloom units in some parts of the country have started closing down.

(c) No, Sir.

(d) Yes Sir. The Association has stated hoarding as one the causes.

(e) During the period March, 1993 to February, 1994 the raw cotton prices increased by 64.1 per cent cotton hank yarn prices by 13.8 per cent and cone yarn prices by 21.4 per cent.

(f) and (g) The Government has taken the following steps to check the rise in prices of cotton:

(i) Decision to permit duty free import of cotton upto 5 lakh bales by spinning mills;

(ii) Stopping of unutilised export quota of cotton out of 5 lakh bales of cotton released for export during 1993-94;

(iii) Suspension of export on 9-2-1994 in respect of the quantity of cotton already contracted for export but not yet shipped;

(iv) Reintroduction of Selective Credit Controls on Cotton;

(v) Requesting the State Governments to take steps to check hoarding of cotton;

(vi) Arrangement for supply of hank yarn by spinning mills at prices which are at least Rs. 8.00 per Kg. cheaper than January 1994 prices.

View of Cotton Corporation of India on Cotton Export Ban

2210. SHRI MENTAY PADMANABHAM: Will the Minister of TEXTILES be pleased to state:

(a) what was the view of the Cotton Corporation of India regarding the prevent freeze on export of cotton;